

Estimates of:

- 1) Local Option Sales and Use Tax

to be distributed to localities
during Fiscal Year 2025

Virginia Department of Taxation
March 20, 2024

Preface

Since the 1960's, the Department of Taxation has been providing the local governing body of every county, city, and town in the Commonwealth with an estimate of its distributive share of certain revenues for the following fiscal year. This report complies with the Code of Virginia §15.2-2502 requiring that such estimates be provided within fifteen days following adjournment of the Virginia General Assembly.

Enclosed are the Fiscal Year 2025 estimates for the distributions of the Local Option Sales and Use Tax.

Included in the 2024-2026 Appropriations Act (HB30 Conference Report, enactment clause 4) is a provision to apply the retail sales and use tax to certain services as enumerated in said clause. The enactment clause will not take effect until the 2024-2026 Appropriations Act is enacted.

The Code of Virginia § 22.1-93, requires the Department of Education to provide, within fifteen days following final adjournment, "...estimates to be used for budgetary purposes relative to the Basic School Aid Formula..." Estimates of the Fiscal Year 2025 local distributions of the State Sales and Use Tax for Public Education are transmitted to the localities by the Department of Education.

At the 2020 General Assembly session, legislation was enacted that will alter the way recordation and grantor tax distributions are made to the localities.

Senate Bill 890 revised Section 58.1-816 of the Code of Virginia as follows:

§ 58.1-816. Distribution of recordation tax to cities and counties.

- A. Effective October 1, 1993, ~~twenty~~ \$20 million dollars of the taxes imposed under §§ 58.1-801 through 58.1-809 ~~which that~~ are actually paid into the state treasury, shall be distributed among the counties and cities of ~~this the~~ Commonwealth, *except for counties and cities located in Planning District 8*, in the manner provided in subsection B ~~of this section~~. Effective July 1, 1994, such annual distribution shall increase to ~~forty~~ \$40 million dollars. **Effective July 1, 2021, such annual distribution shall be \$20 million.**

In addition, the first \$20 million of the annual distribution under Section 58.1-816 was dedicated to the Hampton Roads Regional Transit Fund (HRTTF), beginning in fiscal year 2021.

The estimates contained herein should not be interpreted to be a State guarantee that each locality will receive the amounts indicated. Rather, they should be viewed only as estimates for each locality that are consistent with the latest economic assumptions utilized in forecasting State General Fund revenues.

Each local governing body is urged to verify the reasonableness of the estimates based on the expert knowledge of its officials and to track news releases pertaining to the developments with the Commonwealth's Budget and the Census data. If there are any questions concerning this publication, please feel free to contact the Department's Office of Revenue Forecasting at (804) 371-4372.

Craig M. Burns
Tax Commissioner

Locality	Actual FY 2023 Local 1% Option Distribution Sales and Use Tax		Estimated FY 2025 Local Option Sales and Use Tax (1)	Estimated FY 2025 Local Option Sales and Use Tax from Various Services (2)
	(\$)	% of State		
Counties				
Accomack County	6,154,593	0.3476%	6,231,497	346,857
Albemarle County	23,977,773	1.3540%	24,277,386	1,351,325
Alleghany County	1,367,139	0.0772%	1,384,222	77,048
Amelia County	1,425,820	0.0805%	1,443,636	80,355
Amherst County	4,375,517	0.2471%	4,430,191	246,593
Appomattox County	1,987,575	0.1122%	2,012,410	112,014
Arlington County	53,182,065	3.0032%	53,846,599	2,997,202
Augusta County	9,882,606	0.5581%	10,006,094	556,958
Bath County	886,577	0.0501%	897,656	49,965
Bedford County*	10,070,294	0.5687%	10,196,127	567,535
Bland County	499,200	0.0282%	505,438	28,134
Botetourt County	4,863,363	0.2746%	4,924,132	274,086
Brunswick County	1,135,361	0.0641%	1,149,548	63,986
Buchanan County	2,168,204	0.1224%	2,195,296	122,194
Buckingham County	1,150,121	0.0649%	1,164,492	64,818
Campbell County	8,285,258	0.4679%	8,388,786	466,935
Caroline County	3,653,707	0.2063%	3,699,362	205,913
Carroll County	3,115,230	0.1759%	3,154,157	175,566
Charles City County	1,630,495	0.0921%	1,650,868	91,890
Charlotte County	981,333	0.0554%	993,595	55,305
Chesterfield County	73,594,410	4.1559%	74,514,005	4,147,588
Clarke County	1,958,797	0.1106%	1,983,273	110,393
Craig County	299,413	0.0169%	303,154	16,874
Culpeper County	11,135,238	0.6288%	11,274,378	627,553
Cumberland County	805,901	0.0455%	815,971	45,418
Dickenson County	1,076,975	0.0608%	1,090,433	60,696
Dinwiddie County	2,894,109	0.1634%	2,930,272	163,104
Essex County	2,875,946	0.1624%	2,911,883	162,081
Fairfax County	244,279,435	13.7945%	247,331,814	13,766,949
Fauquier County	14,868,863	0.8396%	15,054,656	837,970
Floyd County	1,536,971	0.0868%	1,556,177	86,620
Fluvanna County	2,802,838	0.1583%	2,837,861	157,961
Franklin County	7,721,597	0.4360%	7,818,082	435,169
Frederick County	22,069,025	1.2462%	22,344,788	1,243,753
Giles County	2,536,442	0.1432%	2,568,136	142,947
Gloucester County	7,151,501	0.4038%	7,240,862	403,040
Goochland County	6,067,290	0.3426%	6,143,103	341,937
Grayson County	865,635	0.0489%	876,451	48,785
Greene County	3,306,084	0.1867%	3,347,395	186,322
Greensville County	1,033,664	0.0584%	1,046,580	58,255

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	(\$)	% of State		
Halifax County	5,409,647	0.3055%	5,477,243	304,874
Hanover County	33,869,935	1.9126%	34,293,154	1,908,821
Henrico County	92,820,591	5.2416%	93,980,425	5,231,126
Henry County	6,605,032	0.3730%	6,687,565	372,242
Highland County	204,644	0.0116%	207,201	11,533
Isle of Wight County	4,915,731	0.2776%	4,977,155	277,038
James City County	14,972,516	0.8455%	15,159,604	843,812
King and Queen County	398,730	0.0225%	403,712	22,471
King George County	4,225,757	0.2386%	4,278,560	238,153
King William County	2,086,569	0.1178%	2,112,642	117,594
Lancaster County	2,705,766	0.1528%	2,739,576	152,490
Lee County	1,987,832	0.1123%	2,012,671	112,029
Loudoun County	118,541,530	6.6941%	120,022,758	6,680,690
Louisa County	6,549,002	0.3698%	6,630,834	369,085
Lunenburg County	719,933	0.0407%	728,929	40,574
Madison County	1,681,082	0.0949%	1,702,088	94,741
Mathews County	894,437	0.0505%	905,613	50,408
Mecklenburg County	8,263,952	0.4667%	8,367,213	465,735
Middlesex County	1,645,872	0.0929%	1,666,438	92,757
Montgomery County	17,610,750	0.9945%	17,830,804	992,496
Nelson County	2,074,313	0.1171%	2,100,232	116,903
New Kent County	3,531,590	0.1994%	3,575,718	199,031
Northampton County	2,438,789	0.1377%	2,469,263	137,444
Northumberland County	1,285,173	0.0726%	1,301,231	72,429
Nottoway County	2,052,513	0.1159%	2,078,160	115,674
Orange County	6,057,741	0.3421%	6,133,435	341,398
Page County	3,132,059	0.1769%	3,171,195	176,515
Patrick County	1,852,128	0.1046%	1,875,271	104,381
Pittsylvania County	4,357,044	0.2460%	4,411,487	245,552
Powhatan County	5,163,230	0.2916%	5,227,747	290,986
Prince Edward County	4,256,142	0.2403%	4,309,324	239,865
Prince George County	4,463,765	0.2521%	4,519,542	251,566
Prince William County	93,730,584	5.2930%	94,901,789	5,282,410
Pulaski County	5,630,436	0.3180%	5,700,791	317,317
Rappahannock County	1,029,762	0.0582%	1,042,630	58,035
Richmond County	1,658,698	0.0937%	1,679,424	93,480
Roanoke County	16,536,676	0.9338%	16,743,309	931,964
Rockbridge County	4,156,234	0.2347%	4,208,168	234,234
Rockingham County	12,251,360	0.6918%	12,404,446	690,455
Russell County	2,587,227	0.1461%	2,619,556	145,809

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Scott County	2,201,707	0.1243%	2,229,218	124,082
Shenandoah County	6,569,416	0.3710%	6,651,504	370,235
Smyth County	3,332,658	0.1882%	3,374,301	187,820
Southampton County	1,147,322	0.0648%	1,161,658	64,660
Spotsylvania County	29,487,211	1.6652%	29,855,667	1,661,822
Stafford County	23,385,626	1.3206%	23,677,840	1,317,953
Surry County	935,933	0.0529%	947,628	52,747
Sussex County	1,392,098	0.0786%	1,409,492	78,455
Tazewell County	7,640,211	0.4314%	7,735,679	430,582
Warren County	7,496,386	0.4233%	7,590,057	422,477
Washington County	10,906,322	0.6159%	11,042,601	614,652
Westmoreland County	1,869,062	0.1055%	1,892,417	105,335
Wise County	4,307,638	0.2433%	4,361,464	242,767
Wythe County	6,324,363	0.3571%	6,403,389	356,425
York County	14,361,410	0.8110%	14,540,862	809,371
Cities				
Alexandria City	39,269,218	2.2175%	39,759,904	2,213,110
Bristol City	6,009,637	0.3394%	6,084,730	338,687
Buena Vista City	572,678	0.0323%	579,834	32,275
Charlottesville City	14,319,033	0.8086%	14,497,956	806,983
Chesapeake City	57,457,341	3.2446%	58,175,296	3,238,145
Colonial Heights City	9,761,143	0.5512%	9,883,113	550,112
Covington City	1,724,651	0.0974%	1,746,201	97,197
Danville City	11,718,257	0.6617%	11,864,682	660,410
Emporia City	2,521,615	0.1424%	2,553,124	142,112
Fairfax City	13,575,395	0.7666%	13,745,025	765,074
Falls Church City	5,874,831	0.3318%	5,948,240	331,090
Franklin City	2,336,760	0.1320%	2,365,959	131,694
Fredericksburg City	15,824,101	0.8936%	16,021,830	891,805
Galax City	3,094,745	0.1748%	3,133,415	174,412
Hampton City	21,849,099	1.2338%	22,122,113	1,231,358
Harrisonburg City	18,267,716	1.0316%	18,495,979	1,029,521
Hopewell City	2,590,777	0.1463%	2,623,150	146,009
Lexington City	1,383,667	0.0781%	1,400,956	77,980
Lynchburg City	21,573,741	1.2183%	21,843,314	1,215,840
Manassas City	12,754,066	0.7202%	12,913,434	718,786
Manassas Park City	2,984,745	0.1685%	3,022,040	168,212
Martinsville City	2,497,873	0.1411%	2,529,085	140,774
Newport News City	33,829,633	1.9104%	34,252,349	1,906,550

Locality	Actual FY 2023 Local 1% Option Distribution Sales and Use Tax		Estimated FY 2025 Local Option Sales and Use Tax (1)	Estimated FY 2025 Local Option Sales and Use Tax from Various Services (2)
	(\$)	% of State		
Norfolk City	44,617,970	2.5196%	45,175,491	2,514,552
Norton City	2,099,788	0.1186%	2,126,026	118,339
Petersburg City	5,317,780	0.3003%	5,384,227	299,696
Poquoson City	1,107,242	0.0625%	1,121,077	62,401
Portsmouth City	11,649,880	0.6579%	11,795,450	656,557
Radford City	1,496,194	0.0845%	1,514,889	84,322
Richmond City	50,865,941	2.8724%	51,501,533	2,866,671
Roanoke City	27,614,578	1.5594%	27,959,635	1,556,285
Salem City	9,288,733	0.5245%	9,404,800	523,489
Staunton City	5,889,493	0.3326%	5,963,084	331,916
Suffolk City	17,993,118	1.0161%	18,217,949	1,014,045
Virginia Beach City	90,529,713	5.1122%	91,660,921	5,102,018
Waynesboro City	7,079,205	0.3998%	7,167,663	398,965
Williamsburg City	5,394,581	0.3046%	5,461,989	304,024
Winchester City	12,722,218	0.7184%	12,881,188	716,991

***Includes Bedford City.**

(1) Does not include the local portion of the sales tax on various services.

(2) Included in the 2024-2026 Appropriations Act (HB30 Conference Report, enactment clause 4) is a provision to apply the retail sales and use tax to certain services as enumerated in said clause. The enactment clause will not take effect until the 2024-2026 Appropriations Act is enacted.

LOCAL OPTION SALES AND USE TAX

The State collects and distributes the Local Option one percent Sales and Use Tax.¹ Actual distributions are made to every county and city based on the locality in which the tax was collected.

¹As provided under the Code of Virginia §58.1-605 and §58.1-606.